

Investment Adviser Representative Continuing Education (IAR CE) Frequently Asked Questions

Effective March 30, 2023, Colorado has adopted continuing education (CE) requirements for investment adviser representatives (IAR) as outlined in Colorado Securities Rule 51-4.4.1(IA). Colorado will not begin enforcement or otherwise require IARs to complete continuing education until January 1, 2024. Here's a <u>link to the Colorado Securities Rules</u>.

Who Must Comply with the IAR CE Requirements?

Every IAR licensed in Colorado will be subject to CE requirements. The rule will apply even if the IAR's home state has not adopted the rule. The mandatory CE program will apply to all licensed IARs of both state-licensed and federal covered investment advisers. In the event an IAR is licensed in more than one state, the IAR must comply with the requirements of each state securities regulator, which may vary. However, the Rule provides that an IAR will be considered in compliance with the CE requirements so long as the IAR's home state, for example, where the IAR has his or her principal office and place of business, has adopted IAR CE requirements that are at least as stringent as the Colorado's IAR CE rule and the IAR is in compliance with his or her home state requirements.

When Must IARs Begin Complying with Colorado's CE rule?

IARs licensed in Colorado as of January 1, 2024, who fail to comply with IAR CE requirements by December 31, 2024, will become CE Inactive after December 31, 2024, and would be ineligible to renew their IAR registration on January 1, 2025, if they fail to catch up with 2024 credits and complete 2025 credits by December 31, 2025.

How Many Credits/Hours are Required?

Beginning in 2024, IARs will need to attain 12 CE credits each year to maintain their IAR license. The 12 credits must consist of Approved IAR CE content. IAR CE Content means the materials, written, oral, or otherwise that have been approved by the North American Securities Administrators Association (NASAA) that make up the educational program provided to an investment adviser representative under the rule.

The 12 credits must include six credits of Products and Practices and six credits of Ethics and Professional Responsibility. An IAR cannot receive credit more than once for the same course and must take care to avoid duplicate courses in subsequent years. Every course that is taken will have a unique course ID, which will be available to the IAR to review against their own records.

Who Provides CE for IARs?

An Authorized Provider must provide the courses. Authorized Providers are approved by NASAA. You will find updated lists of Authorized Providers on <u>NASAA's website</u>.

For dual registrants, can the CE required by the Financial Industry Regulatory Authority (FINRA) for Broker Dealer (BD) agents and sales representatives meet any of the CE requirements for IARs?

An IAR who is also a licensed Broker Dealer (BD) agent and who complies with FINRA's CE requirements is considered to be in compliance with the requirement to report six credits of Products and Practices content, so long as the FINRA CE content continues to meet certain baseline criteria as determined by NASAA and the \$3 per credit reporting fee is paid.

Do CE credits earned by Certified Financial Planners (CFP), Chartered Financial Analysts (CFA), Personal Financial Specialists (PFS), Chartered Investment Counselors (CIC), and Chartered Financial Consultants (ChFC) meet any of the CE requirements for IARs?

Yes, if all three of the following are true:

- 1. The IAR completes the credits of continuing education as a condition of maintaining the credential for the relevant Reporting Period.
- 2. The credits of continuing education completed are mandatory to maintain the credential.
- 3. The continuing education content provided by the credentialing organization is Approved IAR CE Content.

Who is responsible for reporting IAR CE credits and how are the IAR CE credits reported?

The Authorized Provider will report to the Central Registration Depository (CRD) a roster of IARs that successfully completed the course. Each IAR is responsible for ensuring that the Authorized Provider reports the IAR's completion of the applicable IAR CE Credit.

How does an IAR monitor reporting of their IAR CE credit?

IARs will be able to monitor their IAR CE through FINRA's FinPro system. Sign up for a <u>FinPro account</u>.

What happens if an IAR does not complete the CE requirements in a timely manner?

If an IAR does not complete the CE requirement by the annual deadline, the IAR will pay the registration renewal fee and CRD will set their IAR CE status to CE Inactive. The IAR can continue to do business, however if CE is not completed by the end of the second year, the IAR will be unable to renew their registration.

Will my CE status be publicly viewable?

An IAR's current CE Status will be available for public viewing on FINRA's BrokerCheck and on the Investment Adviser's Public Disclosure (IAPD) webpage.

Resources

NASAA IAR CE Frequently Asked Questions (FAQs)

• Visit <u>NASAA's IAR CE FAQs</u> to find general information about IAR CE, including updated lists of Authorized Providers, a Program Handbook, links to FinPro, and IAR CE Webcasts and training.

FinPro

- Sign up for a <u>FinPro account</u>.
- Access the FinPro Account Creation Guide.
- Additional questions? Visit <u>FinPro's FAQ webpage</u>.

States Where the IAR CE Rule has Been Adopted

- Arkansas: Effective January 1, 2023
- Colorado: Effective January 1, 2024
- Kentucky: Effective January 1, 2023
- Maryland: Effective January 1, 2022
- Michigan: Effective January 1, 2023
- Mississippi: Effective January 1, 2022
- Oklahoma: Effective January 1, 2023
- **Oregon:** Effective January 1, 2023
- South Carolina: Effective January 1, 2023
- Vermont: Effective January 1, 2022
- Washington, D.C.: Effective January 1, 2023
- Wisconsin: Effective January 1, 2023